

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	193.44	0.00	9.30	202.74	0.00	9.30	202.74	202.74
Personal Services	8,156,927	1,006,877	640,310	9,804,114	1,097,379	1,045,240	10,299,546	20,103,660
Operating Expenses	6,057,344	918,369	189,000	7,164,713	931,162	168,900	7,157,406	14,322,119
Equipment	100,165	0	40,000	140,165	0	0	100,165	240,330
Capital Outlay	0	0	0	0	0	0	0	0
Grants	7,160,481	0	1,792,000	8,952,481	0	1,192,000	8,352,481	17,304,962
Benefits & Claims	198,773,021	9,187,039	18,602,569	226,562,629	10,939,164	27,081,848	236,794,033	463,356,662
Transfers	0	0	0	0	0	0	0	0
Debt Service	9,741	3,030	0	12,771	3,300	0	13,041	25,812
<b>Total Costs</b>	<b>\$220,257,679</b>	<b>\$11,115,315</b>	<b>\$21,263,879</b>	<b>\$252,636,873</b>	<b>\$12,971,005</b>	<b>\$29,487,988</b>	<b>\$262,716,672</b>	<b>\$515,353,545</b>
General Fund	46,295,501	1,447,394	6,561,169	54,304,064	1,651,661	8,798,026	56,745,188	111,049,252
State/Other Special	22,385,363	6,943,248	3,611,684	32,940,295	7,673,249	4,282,989	34,341,601	67,281,896
Federal Special	151,576,815	2,724,673	11,091,026	165,392,514	3,646,095	16,406,973	171,629,883	337,022,397
<b>Total Funds</b>	<b>\$220,257,679</b>	<b>\$11,115,315</b>	<b>\$21,263,879</b>	<b>\$252,636,873</b>	<b>\$12,971,005</b>	<b>\$29,487,988</b>	<b>\$262,716,672</b>	<b>\$515,353,545</b>

**Program Description**

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long term care issues to Montanans of all ages. The division makes services available through six major programs:

1. The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman and other services;
2. Medicaid Community Services Program pays for in-home, personal assistance, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
3. Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 94 Montana nursing homes;
4. Protective services, including the investigation of abuse, neglect and exploitation, are provided by adult protective services social workers;
5. Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans' Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans' Home in Glendive; and
6. The State Supplemental Payments Program pays for a portion of the room and board costs for Supplemental Security Income (SSI) eligible individuals residing in designated residential care facilities.

Statutory References: Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veterans' Homes, 10-2-401, MCA (authorizes and establishes Montana Veterans' Homes); 53-1-602, MCA (Eastern Montana Veterans' Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

**Program Highlights**

<b>Senior and Long Term Care Division</b>	
<b>Major Budget Highlights</b>	
♦	The 2009 biennium budget is \$67.8 million total funds, including \$17.3 million general fund, higher than the 2007 biennium budget, with most of the increase (\$59.0 million) in benefits
♦	The FY 2009 appropriation rises to \$262.7 million compared to base budget expenditures of \$220.3 million
♦	Major increases compared to base budget expenditures are: <ul style="list-style-type: none"> <li>• Legislative initiatives for: <ul style="list-style-type: none"> <li>○ Direct care worker wage increases - \$15.8 million</li> <li>○ Provider rate increases above the executive request - \$1.7 million total funds, including \$0.2 million general fund</li> <li>○ Aging services increases above the executive request - \$3.7 million general fund, with \$3.0 million being a one-time only appropriation</li> </ul> </li> <li>• Medicaid services grow \$33.5 million total funds, including \$9.1 million general fund and \$10.7 million state special revenue, with the following expansions and contractions <ul style="list-style-type: none"> <li>○ The largest increase is due to annualization of expansions authorized by the 2005 Legislature (\$18.0 million total funds, including \$7.7 million in state special revenue and a net reduction of \$1.6 million general fund)</li> <li>○ Medicaid cost increases are partially offset by projected ongoing declines in nursing home services (\$3.8 million, including \$0.9 million general fund)</li> </ul> </li> <li>• Increases of \$4.8 million for veterans' homes, largely for support of the Montana Veterans' Home, including funding for 5.80 FTE and several remodeling and facility upgrades</li> <li>• Reinstatement of \$1.7 million general fund for Meals on Wheels and in-home care giver services, which were authorized as one-time-only appropriations by the 2005 Legislature, and a \$0.3 million increase for meal programs</li> </ul>

**SLTC Division Budget**

The Senior and Long Term Care Division (SLTC) 2009 biennium appropriation grows \$74.8 million compared to the base budget doubled, despite projected ongoing declines in nursing home services. Major biennial increases that offset anticipated nursing home cost reductions of \$9.2 million are:

- Direct care worker wages increases - \$15.8 million total funds (\$2.3 million general fund and \$2.7 million health and Medicaid initiatives state special revenue)
- Annualization of the FY 2007 increase in nursing home bed tax revenues used as state Medicaid match - \$15.8 million total funds (\$5.1 million in bed tax state special revenue)
- Provider rate increase of 2.5 percent each year - \$15.5 million total funds (\$2.1 million general fund and \$3.1 million health and Medicaid initiatives state special revenue)
- Annualization of 2007 biennium waiver increases and funding for 100 new slots in the 2009 biennium - \$7.6 million total funds (\$0.5 million general fund and \$2.1 million health and Medicaid initiative state special revenue)
- Growth in the county intergovernmental transfer program - \$7.4 million (\$2.7 million county matching state special revenue)
- Aging community services, including continuation of in-home care giver services and elderly meal programs - \$5.7 million general fund, of which \$3.0 million is appropriated for the 2009 biennium only
- Montana veterans' homes personal services and operating cost increases - \$3.7 million total funds (\$0.7 million cigarette tax revenue)

- Contingency funding to offset a reduction in the county intergovernmental fund transfer used as state match in Medicaid services - \$2.8 million general fund

Legislative initiatives added \$30.1 million, including \$11.4 million general fund, to the 2009 biennial appropriation. Figure 48 shows each initiative.

Provider rate increases for SLTC services are funded at 2.5 percent annually. The executive budget request submitted to the May 2007 Special Session of the legislature recommended delayed implementation of FY 2008 provider rate increases until October 2007. The legislature accepted that recommendation for all other services, except this division.

The legislature offset general fund for the waiver expansion with health and Medicaid initiatives state special revenue to backfill the provider rate delay in STLC. The negative difference between the executive recommendation and legislatively approved provider rates in this division is due to reductions in nursing home costs in the original executive request and subsequent legislative action. Caseload reductions lowered the amount needed to fund a 2.5 percent provider rate increase in FY 2008.

Figure 48 Legislative Appropriation Initiatives - Senior and Long Term Care Division					
Purpose	FY 2008		FY 2009		% of Ttl
	General Fund	Total Funds	General Fund	Total Funds	
Direct Care Worker Wage Increase	\$1,152,035	\$7,907,523	\$1,155,706	\$7,907,523	41.1%
Provider Rate Increase*	(55,930)	(114,462)	1,833,186	5,266,409	27.4%
Healthcare for Healthcare Workers	0	0	814,900	2,587,806	13.5%
Aging Services	1,871,647	1,871,647	1,871,647	1,871,647	9.7%
IGT Offset	1,189,272	1,189,272	1,600,000	1,600,000	8.3%
Total Legislative Initiatives	<u>\$4,157,024</u>	<u>\$10,853,980</u>	<u>\$7,275,439</u>	<u>\$19,233,385</u>	100.0%
2009 Biennial Total			<u>\$11,432,463</u>	<u>\$30,087,365</u>	
*This amount is the net change from the original executive recommendation. Provider rate increases show a negative difference in FY 2008 because nursing home cost estimates declined between submission of the executive budget and legislative budget action.					

### Budget by Function

Figure 49 shows the SLTC base budget compared to the legislative appropriation for each year of the 2009 biennium by major function and for each benefit and grant. The Medicaid services function is 89.8 percent of the total division budget in FY 2009 and Medicaid nursing home services are the largest budgetary item, accounting for almost two thirds of the FY 2009 appropriation.

Aging and veterans' services each account for roughly 4.0 to 5.0 percent of the total division appropriation in FY 2009. Aging grants that support meals, in-home care giver services, and the Area Agencies on Aging account for 2.9 percent of the budget in FY 2009. General fund appropriations for Meals on Wheels and in-home care giver services were made as one-time appropriations and removed from base budget expenditures. However, these expenditures are included in the FY 2006 base amounts shown in Figure 48 for comparative purposes because they were reauthorized by the 2007 Legislature and will be considered present law services in the 2011 biennium.

### SLTC Benefits

There are three major Medicaid services administered by SLTC – skilled nursing or nursing home services, home based services, and community based waiver services. Skilled nursing and home based services are an entitlement, meaning that if a person qualifies for Medicaid and the service is medically necessary, that person is entitled to receive the service, regardless of whether the appropriation is sufficient to cover the cost of services that must be delivered.

Community based waiver services are not an entitlement and require a waiver of federal regulations to limit the number and types of services provided. In order to be eligible for SLTC wavier services, a person must need nursing home or hospital level of care. The waiver must be cost neutral, meaning that the federal cost of the waiver is lower than the cost of providing nursing home level of care.

Home based services include personal assistance, home health and hospice services. Personal assistance services account for 93.0 percent of the FY 2006 base expenditures, with hospice and home health services making up 6.0 and 1.0 percent, respectively.

Figure 49

Senior and Long-Term Care Division 2006 Base Budget Expenditures and 2009 Biennium Appropriation by Major Function and Service

Function and Benefits and Grants	FY 2006 Base Budget				FY 2008 Legislative Appropriation				FY 2009 Legislative Appropriation				% of Total SLTC
	General Fund	State Special	Federal	Total	General Fund	State Special	Federal	Total	General Fund	State Special	Federal	Total	
Division Administration	\$156,580	\$48,280	\$145,409	\$350,269	\$251,540	\$191,012	\$227,716	\$670,268	\$369,936	\$480,662	\$326,893	\$1,177,491	0.4%
Medicaid Services	42,494,853	16,143,044	141,185,498	199,823,395	46,785,609	24,691,511	154,758,755	226,235,875	49,343,771	25,825,658	160,856,554	236,025,983	89.8%
Aging Services	2,106,765	0	6,723,629	8,830,394	5,422,022	0	6,834,368	12,256,390	5,171,982	0	6,832,348	12,004,330	4.6%
Veterans' Homes	0	5,949,799	3,127,553	9,077,352	0	7,739,579	3,174,668	10,914,247	0	7,718,700	3,215,782	10,934,482	4.2%
Adult Protective Svcs	<u>1,537,303</u>	<u>244,240</u>	<u>394,726</u>	<u>2,176,269</u>	<u>1,844,893</u>	<u>318,193</u>	<u>397,007</u>	<u>2,560,093</u>	<u>1,859,499</u>	<u>316,581</u>	<u>398,306</u>	<u>2,574,386</u>	<u>1.0%</u>
Total Division	<u>\$46,295,501</u>	<u>\$22,385,363</u>	<u>\$151,576,815</u>	<u>\$220,257,679</u>	<u>\$54,304,064</u>	<u>\$32,940,295</u>	<u>\$165,392,514</u>	<u>\$252,636,873</u>	<u>\$56,745,188</u>	<u>\$34,341,601</u>	<u>\$171,629,883</u>	<u>\$262,716,672</u>	100.0%
Percent of Total	21.0%	10.2%	68.8%	100.0%	21.5%	13.0%	65.5%	100.0%	21.6%	13.1%	65.3%	100.0%	
Compounded Annual Rate of Change from FY 2006 Base					8.3%	21.3%	4.5%	7.1%	7.0%	15.3%	4.2%	6.1%	
<b>Benefits</b>													
<i>Medicaid</i>													
Nursing Homes	\$28,853,174	\$11,945,550	\$98,395,698	\$139,194,422	\$30,220,860	\$17,600,826	\$105,485,640	\$153,307,326	\$31,187,132	\$17,527,530	\$106,629,314	\$155,343,976	59.1%
IGT	0	1,912,098	4,578,392	6,490,490	0	2,889,105	6,170,092	9,059,197	0	3,645,237	7,630,353	11,275,590	4.3%
Home Based Services	6,111,838	1,867,551	19,285,169	27,264,558	8,116,625	2,088,711	20,632,536	30,837,872	8,116,625	2,107,206	23,719,821	35,644,850	13.6%
Waiver Services	6,595,771	395,891	16,846,130	23,837,792	7,995,530	1,447,528	20,412,127	29,855,185	7,886,990	1,837,193	20,855,810	30,579,993	11.6%
Nurse Aide Testing	143,871	0	143,871	287,742	143,871	0	143,871	287,742	143,871	0	143,871	287,742	0.1%
State Supplement	963,994	0	0	963,994	986,554	0	0	986,554	1,009,114	0	0	1,009,114	0.4%
Aging Services	0	0	0	0	1,494,730	0	0	1,494,730	1,818,745	0	0	1,818,745	0.7%
Adult Protective Services	39,665	0	0	39,665	39,665	0	0	39,665	39,665	0	0	39,665	0.0%
Resource Facilitation TBI	0	0	0	0	0	0	0	0	0	100,000	0	100,000	0.0%
Institutional - MVH	0	0	694,358	694,358	0	0	694,358	694,358	0	0	694,358	694,358	0.3%
Subtotal Benefits	<u>\$42,708,313</u>	<u>\$16,121,090</u>	<u>\$139,943,618</u>	<u>\$198,773,021</u>	<u>\$48,997,835</u>	<u>\$24,026,170</u>	<u>\$153,538,624</u>	<u>\$226,562,629</u>	<u>\$50,202,142</u>	<u>\$25,217,166</u>	<u>\$159,673,527</u>	<u>\$236,794,033</u>	90.1%
Percent of Total	21.5%	8.1%	70.4%	100.0%	21.6%	10.6%	67.8%	100.0%	21.2%	10.6%	67.4%	100.0%	
Compounded Annual Rate of Change from FY 2006 Base					7.1%	22.1%	4.7%	6.8%	5.5%	16.1%	4.5%	6.0%	
<b>Grants</b>													
Aging Grants	\$936,113	\$0	\$6,224,368	\$7,160,481	\$1,436,113	\$0	\$6,224,368	\$7,660,481	\$1,436,113	\$0	\$6,224,368	\$7,660,481	2.9%
Meals on Wheels*	567,000	0	0	567,000	692,000	0	0	692,000	692,000	0	0	692,000	0.3%
Inhome Care-Giver Serv	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%
Subtotal Grants	<u>\$1,803,113</u>	<u>\$0</u>	<u>\$6,224,368</u>	<u>\$8,027,481</u>	<u>\$2,728,113</u>	<u>\$0</u>	<u>\$6,224,368</u>	<u>\$8,952,481</u>	<u>\$2,128,113</u>	<u>\$0</u>	<u>\$6,224,368</u>	<u>\$8,352,481</u>	3.2%
Percent of Total Div.	13.1%	0.0%	86.9%	100.0%	18.7%	0.0%	81.3%	100.0%	18.7%	0.0%	81.3%	100.0%	
Compounded Annual Rate of Change from FY 2006 Base					23.9%	n/a	0.0%	3.4%	15.3%	n/a	0.0%	2.3%	
<b>Veterans' Homes</b>													
Montana Vets' Home	\$0	\$5,640,906	\$2,004,300	\$7,645,206	\$0	\$6,828,088	\$2,053,385	\$8,881,473	\$0	\$7,128,766	\$2,094,450	\$9,223,216	3.5%
Eastern Vets' Home	0	308,893	1,123,253	1,432,146	0	362,119	1,123,253	1,485,372	0	305,659	1,123,253	1,428,912	0.5%
Subtotal Vets' Homes	<u>\$0</u>	<u>\$5,949,799</u>	<u>\$3,127,553</u>	<u>\$9,077,352</u>	<u>\$0</u>	<u>\$7,190,207</u>	<u>\$3,176,638</u>	<u>\$10,366,845</u>	<u>\$0</u>	<u>\$7,434,425</u>	<u>\$3,217,703</u>	<u>\$10,652,128</u>	4.1%
Percent of Total	0.0%	65.5%	34.5%	100.0%	0.0%	69.4%	30.6%	100.0%	0.0%	69.8%	30.2%	100.0%	
Compounded Annual Rate of Change from FY 2006 base budget expend					n/a	9.9%	0.8%	6.9%	n/a	7.7%	1.0%	5.5%	

\*Meals on Wheels was funded from a one-time appropriation of federal funds during the 2007 biennium, but included in this table for illustrative purposes.

\*\*Inhome care-giver services is a biennial appropriation in FY 2006, but shown as an equal amount in each year of the biennium for the purposes of this table.

State supplement payments are made to persons who are eligible for federal Supplemental Security Income (SSI) payments. The state supplement (\$94 per month) is paid to SSI eligible individuals living in certain congregate living situations such as group homes. The payment is funded fully from the general fund.

Aging services benefits include both community services for all elderly persons and a small amount – about \$40,000 general fund each year – pays for emergency services such as temporary lodging and cleaning for victims of elder abuse and neglect.

Grants for aging services support a variety of services, with the majority of funds (upwards of 70 percent) used for elderly feeding programs. The majority of aging services funding comes from federal grants that are distributed to local Area Agencies on Aging (AAAs). Federal grant funds include parameters on how the funds may be spent. General fund supports grants to AAAs, Meals on Wheels, and in-home care giver programs. Meals on Wheels and in-home care giver appropriations were approved as one-time-only in the 2007 biennium, and removed from base budget expenditures. They are included in this table for reference purposes.

The legislature increased aging services by \$3.7 million general fund over the biennium. It made a one-time-only appropriation of \$3.0 million general fund over the biennium for aging services and an ongoing appropriation of \$0.7 million general fund. The increase was allocated between services and grants appropriations with a restriction that it must be spent on community aging services.

Veterans' services are 4.1 percent of the FY 2009 SLTC budget. The 2009 biennium appropriation increases due to additional staffing at MVH, operating cost increases, and facility upgrades.

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Senior & Long-Term Care						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 46,295,501</b>	<b>21.0%</b>	<b>\$ 54,304,064</b>	<b>21.5%</b>	<b>\$ 56,745,188</b>	<b>21.6%</b>
01100 General Fund	46,295,501	21.0%	54,304,064	21.5%	56,745,188	21.6%
<b>02000 Total State Special Funds</b>	<b>22,385,363</b>	<b>10.2%</b>	<b>32,940,295</b>	<b>13.0%</b>	<b>34,341,601</b>	<b>13.1%</b>
02023 Private Ins. Medicaid Reim.-Ve	2,802,543	1.3%	4,133,622	1.6%	4,274,037	1.6%
02032 Vets-I&I Lease	5,000	0.0%	4,997	0.0%	4,997	0.0%
02053 Medicaid Nursing Home Match	3,462,236	1.6%	4,580,736	1.8%	5,336,868	2.0%
02260 Cigarette Tax Revenue	3,190,536	1.4%	3,791,972	1.5%	3,820,328	1.5%
02497 6901-Lien & Estate - Sltd	823,903	0.4%	897,856	0.4%	896,244	0.3%
02772 Tobacco Hlth & Medica Initiative	3,254,525	1.5%	7,991,308	3.2%	8,428,956	3.2%
02782 69010-Csb Conference	21,954	0.0%	21,954	0.0%	21,954	0.0%
02987 Tobacco Interest	703,779	0.3%	831,850	0.3%	932,217	0.4%
02990 69010-Nursing Home Utilization	8,120,887	3.7%	10,686,000	4.2%	10,626,000	4.0%
<b>03000 Total Federal Special Funds</b>	<b>151,576,815</b>	<b>68.8%</b>	<b>165,392,514</b>	<b>65.5%</b>	<b>171,629,883</b>	<b>65.3%</b>
03005 Emvh V-A Nursing Reimbursement	1,123,253	0.5%	1,123,253	0.4%	1,123,253	0.4%
03073 Aging - Farmers Market	39,450	0.0%	39,450	0.0%	39,450	0.0%
03112 Vets-V.A. Reimb	1,925,208	0.9%	1,961,788	0.8%	2,001,197	0.8%
03501 64.014 - Vets St. Domic Care 1	81,948	0.0%	128,895	0.1%	178,862	0.1%
03514 10.570 - Elderly Feeding 100%	643,747	0.3%	643,747	0.3%	643,747	0.2%
03515 93.041 - Elder Abuse Prev 100%	30,436	0.0%	30,436	0.0%	30,436	0.0%
03516 93.042 - Ombudsman Activity 10	74,719	0.0%	74,719	0.0%	74,719	0.0%
03517 93.043 - Preventive Hlth 100%	105,929	0.0%	105,929	0.0%	105,929	0.0%
03518 93.044 - Aging Sup S & Train 1	1,775,826	0.8%	1,852,512	0.7%	1,855,212	0.7%
03519 93.045 - Aging Meals 100%	2,718,622	1.2%	2,731,133	1.1%	2,742,504	1.0%
03537 93.779 - Hlth Info Counseling	185,968	0.1%	238,002	0.1%	240,704	0.1%
03579 93.667 - SsbG - Benefits	297,973	0.1%	296,813	0.1%	296,816	0.1%
03580 6901-93.778 - Med Adm 50%	1,439,490	0.7%	1,483,983	0.6%	1,515,763	0.6%
03583 93.778 - Med Ben Fmap	139,943,618	63.5%	153,501,373	60.8%	159,598,210	60.7%
03666 Aging - Caregiver Iii-E	735,482	0.3%	738,189	0.3%	740,067	0.3%
03799 6901-Older Worker Program	455,146	0.2%	442,292	0.2%	443,014	0.2%
<b>Grand Total</b>	<b>\$ 220,257,679</b>	<b>100.0%</b>	<b>\$ 252,636,873</b>	<b>100.0%</b>	<b>\$ 262,716,672</b>	<b>100.0%</b>

SLTC is funded from a combination of general fund, state special revenue, and federal funds. Total funding rises from \$220.3 million in base budget expenditures to \$262.7 million for the FY 2009 appropriation. Medicaid services, particularly skilled nursing services, drive costs in this division. Total Medicaid services funding in FY 2006 was \$199.8 million or 90.7 percent of total division expenditures and it comprises \$233.8 million or 89.0 percent of the FY 2009 appropriation.

General fund rises from 21.0 percent of the total division funding in FY 2006 to 21.6 percent in FY 2009, while state special revenue rises from 10.2 percent of the base budget (\$22.4 million) to 13.1 percent in FY 2009 (\$34.3 million). Increases in state special revenue, most notably health and Medicaid initiatives funding for provider rate and direct care worker wage increases, offset what otherwise would have been general fund costs.

Most state funding for this program pays the state match for Medicaid services. General fund and state special revenue combined provided \$57.8 million for Medicaid match in FY 2006 and grow to \$68.8 million of the FY 2009 appropriation, partly due to the reduction in the federal Medicaid match rate.

General fund also supports aging services and some adult protective services (APS) functions. Appropriations to continue funding for senior meals and at-home care givers, and to increase aging services and meal funding, as well as operating cost increases for aging services, also contribute to the general fund increase.

The majority of state special revenue - \$25.1 million - is used for state Medicaid match, primarily for skilled nursing facility services. The nursing home utilization fee (authorized in 15-6-102(1), MCA) is a tax of \$8.30 paid for each day a bed in a skilled nursing facility is occupied. Facilities remit the fee to the state and fee income is used to draw down federal matching funds to increase the daily Medicaid nursing home reimbursement. Fee income totals \$10.6 million in FY 2009.

The second most significant source of state special revenue for Medicaid nursing home match is health and Medicaid initiatives tobacco tax revenue, contributing \$8.4 million in FY 2009. State special revenue from county intergovernmental transfers (IGT) is expected to decline as source of matching funds even though the amount appropriated rises from \$3.4 million in base budget expenditures to \$5.3 million in the FY 2009 appropriation. In the IGT program counties transmit county funds that support county skilled nursing facilities to DPHHS to draw down additional federal Medicaid funds to raise daily Medicaid nursing home rates. However, there is a concern that federal rules published during the legislative session will further restrict the use of IGT funds and county participation will decline. The IGT program is discussed in greater detail in the Medicaid services subprogram. Finally, interest from the tobacco settlement trust is also used as state Medicaid match.

Support of the veterans' homes is the next most significant use of state special revenue. Cigarette tax revenue is statutorily allocated for veterans' services (16-11-119(1)(a), MCA), and interest and income from state land provides a small amount of funding too.

Lien and estate funds are reimbursements from estates of persons who received Medicaid services (53-6-143, MCA). The funds are used to support APS and a small portion of nursing home Medicaid match.

Federal funds are the largest funding source and increase from FY 2006 (\$151.5 million) to FY 2009 (\$171.6 million) and are 65.3 percent of the FY 2009 appropriation. Federal Medicaid matching funds for services for aged and physically disabled individuals are 60.7 percent of total funding in the FY 2009 appropriation, with only one other federal funding source contributing in excess of 1 percent of total division spending (aging meals at 1.0 percent and \$2.7 million).

**Figure 50**  
Cigarette Tax Fund Balance Supporting Veterans' Services

Fund Balance	FY 2006	FY 2007*	FY 2008*	FY 2009*	Percent of Total
Deposits/Expenditures					
Beginning Fund Balance**	\$2,115,828	\$2,081,524	\$2,000,000	\$2,000,000	
Revenue/Transfers In					
Cigarette Tax	\$6,362,659	\$6,352,000	\$6,228,000	\$6,130,000	
Other Deposits***	13,874				
Expenditures					
Veterans' Homes Operations					0.0%
Montana Veterans' Home	\$2,833,363	\$2,227,089	\$3,303,602	\$3,284,652	84.2%
Eastern Montana Veterans' Home	308,893	308,893	362,119	307,119	7.9%
Long-Range Building					
Montana Veterans' Homes	372,095	574,081	1,673,000	0	0.0%
DPHHS Cost Allocated Admin.	136,203	168,599	209,062	259,237	6.6%
Division Administrative Cost	36,290	53,710	48,394	48,845	1.3%
Pay Plan and Retirement Costs	0	0	77,857	181,172	4.6%
Subtotal Expenditures	\$3,686,844	\$3,332,372	\$5,596,177	\$3,899,853	100.0%
Annual Rate of Increase		-9.6%	67.9%	-30.3%	
Compounded Rate of Increase from Base Budget		-9.6%	23.2%	1.9%	
Transfer to General Fund	(\$2,812,016)	(\$3,101,153)	(\$631,823)	(\$2,230,147)	
Adjustments**	\$101,898	\$0	\$0	\$0	
Ending Fund Balance	<u>\$2,081,524</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	

\*Revenue based on estimates adopted by the Revenue Oversight Taxation and Transportation Committee. Expenditures are based on executive budget request. Estimated expenditures also include indirect costs allocated across DPHHS.

\*\*Statute requires that unexpended cash balances in excess of \$2 million be deposited to the general fund. Fund balances include other adjustments and may not equal cash balances.

### Cigarette Tax Funding

Figure 50 shows the estimated fund balance in the cigarette state special revenue allocated to veterans and the projected transfer to the general fund. Statute requires that amounts in excess of \$2.0 million in the veterans' portion of the cigarette tax fund be transferred to the general fund at fiscal year end.

The legislature appropriated \$1.7 million more in reimbursements from insurance and private payments than included in the original executive request. This action was partially in response to an LFD issue that identified DPHHS estimates of third party revenue as being higher than the amounts included in the executive budget request.

### Biennial Comparison

Figure 51 shows the 2007 biennium budget compared to the 2009 biennium budget. The 2009 biennium appropriation is \$67.8 million higher than the 2007 biennium. Most of the increase (\$59.0 million and 87.1 percent) is in

benefits and services and the majority of funding (\$30.5 million and 44.9 percent) is federal. General fund increases \$17.3 million and state special revenue grows \$20.0 million.

Benefits cost growth is driven by Medicaid services. While the number of nursing home days of care is expected to decline over the 2009 biennium, the provider rate increases, including direct care worker wage increases and healthcare for health care workers, more than offsets the savings due to caseload reductions. Other Medicaid services expand from the FY 2006 base due to eligibility and service utilization growth as well as provider and direct care worker wage increases.

Appropriations for operation of the veterans' homes is largely responsible for changes in personal services and operating cost growth between the two biennia. Grant increases are due almost solely to the legislative initiatives to expand community aging services.

General fund increases are related to Medicaid expansions, the increase in the Medicaid state match rate, and to a much lesser extent, the increases in aging services. State special revenue growth is due mostly to appropriations from the health and Medicaid initiatives account (I-149 funds) to support Medicaid provider rate and direct care worker increases, as well as annualization of the increase in the nursing home bed tax in FY 2007. Appropriations from cigarette tax revenues and third party payments to support veterans' homes also contribute to the increase. Federal changes are due largely to Medicaid service and rate increases.

**Figure 51**  
2007 Biennium Compared to 2009 Biennium Appropriation  
Senior and Long Term Care Division

Budget Item/Fund	2007 Biennium	2009 Biennium	Percent of Total	Change	Percent of Change
FTE	193.44	202.74		9.30	
Personal Services	\$16,642,196	\$20,103,660	3.9%	\$3,461,464	5.1%
Operating	11,851,500	14,322,119	2.8%	2,470,619	3.6%
Equipment	169,201	240,330	0.0%	71,129	0.1%
Grants	14,525,132	17,304,962	3.4%	2,779,830	4.1%
Benefits/Claims*	404,308,203	463,356,662	89.9%	59,048,459	87.1%
Debt Service	25,653	25,812	0.0%	159	0.0%
Total Costs	<u>\$447,521,885</u>	<u>\$515,353,545</u>	<u>100.0%</u>	<u>\$67,831,660</u>	<u>100.0%</u>
General Fund*	\$93,727,883	\$111,049,252	21.5%	\$17,321,369	25.5%
State Special	47,251,234	67,281,896	13.1%	20,030,662	29.5%
Federal Funds	<u>306,542,768</u>	<u>337,022,397</u>	<u>65.4%</u>	<u>30,479,629</u>	<u>44.9%</u>
Total Funds	<u>\$447,521,885</u>	<u>\$515,353,545</u>	<u>100.0%</u>	<u>\$67,831,660</u>	<u>100.0%</u>
Percent Increase		15.2%			

\*General fund appropriations in the 2007 biennium include a reduction of \$1,531,366, which is the amount that was transferred to offset other program deficits.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions discussed following each subprogram narrative.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				1,004,982					1,069,936
Vacancy Savings				(366,475)					(369,077)
Inflation/Deflation				52,267					60,788
Fixed Costs				(11,570)					753
Total Statewide Present Law Adjustments				\$679,204					\$762,400
DP 6015 - State Motor Pool Change									
0.00	(2,627)	0	(581)	(3,208)	0.00	(2,618)	0	(589)	(3,207)
DP 22201 - SLTC Field Office Rent Adjustment									
0.00	10,909	0	4,005	14,914	0.00	19,527	0	4,863	24,390
DP 22204 - Adult Protective Services Database Maintenance									
0.00	50,886	0	1,846	52,732	0.00	50,886	0	1,846	52,732
DP 22205 - Montana Veterans' Home Expense Adjustments									
0.00	0	908,886	0	908,886	0.00	0	916,919	0	916,919
DP 22206 - Dept of Transportation Cars									
0.00	11,674	0	11,674	23,348	0.00	11,903	0	11,904	23,807
DP 22207 - Annualize Nursing Home Provider Tax									
0.00	0	2,565,113	5,401,391	7,966,504	0.00	0	2,505,113	5,288,162	7,793,275
DP 22208 - State Supplement Caseload Increase									
0.00	24,960	0	0	24,960	0.00	49,920	0	0	49,920
DP 22209 - Annualize Waiver Expansion Costs									
0.00	(419,748)	829,669	750,433	1,160,354	0.00	(406,035)	829,669	736,720	1,160,354
DP 22210 - Medicaid Nursing Home FMAP Adj									
0.00	2,894,405	0	(2,894,405)	0	0.00	3,033,599	0	(3,033,599)	0
DP 22211 - Home Based Medicaid FMAP Adj									
0.00	578,956	0	(578,956)	0	0.00	606,220	0	(606,220)	0
DP 22212 - Medicaid Waiver FMAP Adjustment									
0.00	491,021	0	(491,021)	0	0.00	514,859	0	(514,859)	0
DP 22213 - Nursing Home Caseload Adjustment									
0.00	(1,976,500)	0	(1,382,760)	(3,359,260)	0.00	(2,413,868)	0	(2,471,274)	(4,885,142)
DP 22214 - Medicaid Home Based Svs Caseload Adjustment									
0.00	259,964	0	568,210	828,174	0.00	642,540	0	1,397,917	2,040,457
DP 22215 - FMAP Change for I-149 NH Provider Increase									
0.00	111,741	0	(111,741)	0	0.00	117,192	0	(117,192)	0
DP 22216 - FMAP Change for I-149 Home Based Provider Increase									
0.00	14,651	0	(14,651)	0	0.00	15,366	0	(15,366)	0
DP 22217 - FMAP Change for I 1-149 Waiver Provider Rate Inc									
0.00	12,213	0	(12,213)	0	0.00	12,809	0	(12,809)	0
DP 22218 - Annualize Nursing Home Direct Care Wage									
0.00	(1,021,218)	1,021,218	0	0	0.00	(1,021,218)	1,021,218	0	0
DP 22219 - FMAP Change - I-149 Home Based Direct Care Wages									
0.00	34,149	0	(34,149)	0	0.00	35,815	0	(35,815)	0
DP 22220 - FMAP Change - I-149 Direct Care Wages Med Waiver									
0.00	6,994	0	(6,994)	0	0.00	7,336	0	(7,336)	0
DP 22223 - Nursing Home IGT Adjustment									
0.00	0	977,007	1,591,700	2,568,707	0.00	0	1,733,139	3,051,961	4,785,100
DP 22909 - Montana Veterans' Home Contingency Fund Line Item									
0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
Total Other Present Law Adjustments									
0.00	\$1,082,430	\$6,551,893	\$2,801,788	\$10,436,111	0.00	\$1,274,233	\$7,256,058	\$3,678,314	\$12,208,605
Grand Total All Present Law Adjustments				\$11,115,315					\$12,971,005



## New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
22	0.00	91,549	138,780	80,508	310,837	0.00	208,735	327,848	178,306	714,889
DP 6014 - Retirement Employer Contributions-HB 63 and HB 131										
22	0.00	3,422	3,838	2,074	9,334	0.00	3,220	3,969	2,148	9,337
DP 22101 - EMVH Resident Bus Replacement - OTO										
22	0.00	0	40,000	0	40,000	0.00	0	0	0	0
DP 22103 - MVH Facility Upgrades - OTO										
22	0.00	0	165,000	0	165,000	0.00	0	165,000	0	165,000
DP 22105 - MVH Special Care Unit Staff										
22	5.20	0	137,862	0	137,862	5.20	0	138,421	0	138,421
DP 22106 - MVH Pharmacy Clerk										
22	0.60	0	22,539	0	22,539	0.60	0	22,685	0	22,685
DP 22107 - EMVH Fire Alarm System - OTO										
22	0.00	0	15,000	0	15,000	0.00	0	0	0	0
DP 22108 - Additional Aging Ombudsman Position										
22	1.00	0	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22109 - Elderly Meal Programs										
22	0.00	692,000	0	0	692,000	0.00	692,000	0	0	692,000
DP 22110 - Continue Aging In-Home Caregiver Program										
22	0.00	600,000	0	0	600,000	0.00	0	0	0	0
DP 22112 - Additional SHIP FTE for Aging Services										
22	1.00	0	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22119 - Waiver Expansion										
22	0.00	838,161	0	1,810,894	2,649,055	0.00	439,619	410,728	1,798,708	2,649,055
DP 22239 - Adult Protective Services Field Staff										
22	1.50	0	74,698	0	74,698	1.50	0	73,084	0	73,084
DP 22501 - Provider Rate Increases										
22	0.00	123,083	1,555,760	3,398,230	5,077,073	0.00	2,012,199	1,578,443	6,867,306	10,457,948
DP 22601 - Direct Care Worker Wage Increases - Restricted										
22	0.00	1,152,035	1,330,136	5,425,352	7,907,523	0.00	1,155,706	1,334,373	5,417,444	7,907,523
DP 22603 - Increase Third Party Revenue - MVH										
22	0.00	0	0	0	0	0.00	0	0	0	0
DP 22604 - Aging Services Increase										
22	0.00	371,647	0	0	371,647	0.00	371,647	0	0	371,647
DP 22605 - IGT Offset										
22	0.00	1,189,272	0	0	1,189,272	0.00	1,600,000	0	0	1,600,000
DP 22606 - Aging Services (OTO)										
22	0.00	1,500,000	0	0	1,500,000	0.00	1,500,000	0	0	1,500,000
DP 22902 - Healthcare for Healthcare Workers										
22	0.00	0	0	0	0	0.00	814,900	0	1,772,906	2,587,806
DP 22904 - Personal Needs Increase										
22	0.00	0	128,071	279,928	407,999	0.00	0	128,438	279,431	407,869
DP 22905 - Resource Facilitation Service - TBI (Rstrd/OTO)										
22	0.00	0	0	0	0	0.00	0	100,000	0	100,000
Total	9.30	\$6,561,169	\$3,611,684	\$11,091,026	\$21,263,879	9.30	\$8,798,026	\$4,282,989	\$16,406,973	\$29,487,988

## Language

The legislature adopted the following language.

"County Nursing Home Intergovernmental Transfer may be used only to make one-time payments to nursing homes based on the number of medicaid services provided.

Funds in IGT Offset may be used as Medicaid matching funds for nursing home services and home-based services for aged and physically disabled persons only if the county nursing home intergovernmental transfer program is not sufficient to reimburse county nursing homes a net payment of at least \$5 a day for Medicaid services and other nursing homes a net payment of at least \$2 a day for Medicaid services. IGT Offset must only be used to fund a shortfall in the amount of county funds transferred as part of the county nursing home intergovernmental transfer program.

Funds in Aging Services may be used only to expand community-based aging services.

Funding in Montana Veterans' Home Contingency Fund may be used only if federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2008 or fiscal year 2009 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee when the appropriation will be used.

Funds in Direct Care Worker Wage Increase may be used only to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase may not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase. Funds in Direct Care Worker Wage Increase must be used first to raise the certified nurse aide and personal care attendant direct care worker wages and benefits to \$8.50 an hour, including related benefits. Any remaining funds may be used only to raise wages, and related benefits, up to \$0.70 an hour for direct care workers and other low-paid staff.

Funds in Provider Rate Increase may be used only to raise provider rates.

Resource Facilitation Service -- Traumatic Brain Injury may be used only to fund community based entities that assist persons with a traumatic brain injury to access services that aid recovery from their injuries.

Healthcare for Healthcare Workers may be used only for provider rate increases for contractors that provide in-home services administered by the senior and long-term care division and receive the majority of their income for those services from the medicaid program."

The Governor vetoed the italicized language.

*"Included in Senior Long Term Care Administration/Reporting is \$200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human 15 services interim committee for the following:*

*(1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and*

*(2) attainment of measurable objectives as outlined in the division final template presented to the joint appropriations subcommittee on health and human services.*

*If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by \$200.*

The department shall provide documentation that these funds are used solely for direct care worker wage increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. *Senior and Long Term Care Administration/Reporting include funding for a semiannual report for the legislative finance committee and the children, families, health, and human services interim committee summarizing direct care wage rates."*

## Sub-Program Details

## MEDICAID SERVICES 01

## Sub-Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	17.68	0.00	0.00	17.68	0.00	0.00	17.68	17.68
Personal Services	857,381	147,787	0	1,005,168	152,991	0	1,010,372	2,015,540
Operating Expenses	1,196,652	(7,625)	0	1,189,027	(7,550)	0	1,189,102	2,378,129
Benefits & Claims	197,769,362	9,164,479	17,107,839	224,041,680	10,894,044	25,163,103	233,826,509	457,868,189
<b>Total Costs</b>	<b>\$199,823,395</b>	<b>\$9,304,641</b>	<b>\$17,107,839</b>	<b>\$226,235,875</b>	<b>\$11,039,485</b>	<b>\$25,163,103</b>	<b>\$236,025,983</b>	<b>\$462,261,858</b>
General Fund	42,494,853	1,111,288	3,179,468	46,785,609	1,273,592	5,575,326	49,343,771	96,129,380
State/Other Special	16,143,044	5,534,500	3,013,967	24,691,511	6,230,632	3,451,982	25,825,658	50,517,169
Federal Special	141,185,498	2,658,853	10,914,404	154,758,755	3,535,261	16,135,795	160,856,554	315,615,309
<b>Total Funds</b>	<b>\$199,823,395</b>	<b>\$9,304,641</b>	<b>\$17,107,839</b>	<b>\$226,235,875</b>	<b>\$11,039,485</b>	<b>\$25,163,103</b>	<b>\$236,025,983</b>	<b>\$462,261,858</b>

The Medicaid services function comprises the lion's share of the SLTC division budget with 89.8 percent (\$236.0 million) of the FY 2009 appropriation. Figure 52 lists each Medicaid service, shows the base budget, each appropriation change approved by the legislature by fiscal year, and the total amount appropriated for each Medicaid service administered by SLTC.

The FY 2009 appropriation for the Medicaid services function grows 18.0 percent over FY 2006 costs. The legislature appropriated \$62.3 million over the biennium compared to the base budget doubled. The appropriations for Medicaid services support:

- Annualization of service expansions approved by the 2005 Legislature - \$18.1 million total funds, including \$7.7 million state special revenue which offsets and reduces general fund by \$1.6 million
- Direct care worker wage increases - \$15.8 million total funds, \$1.2 million general fund and \$3.1 million in health and Medicaid initiatives state special revenue
- Provider rate increases – \$15.0 million total funds, \$3.1 million general fund and \$6.3 million in health and Medicaid initiatives state special revenue
- Medicaid caseload and service utilization – reduction of \$3.4 million, including \$1.7 million general fund, due to ongoing declines in the number of nursing home bed days
- Increases in the state Medicaid match rate - \$8.4 million general fund
- Expansion of community waiver services - \$5.3 million total funds, including \$1.3 million general fund and \$0.4 million in health and Medicaid initiatives state special revenue

Nursing home services are the single largest component of the 2009 biennium appropriation for this division totaling \$330.1 million over the biennium, including \$61.7 million general fund and \$41.7 million state special revenue.

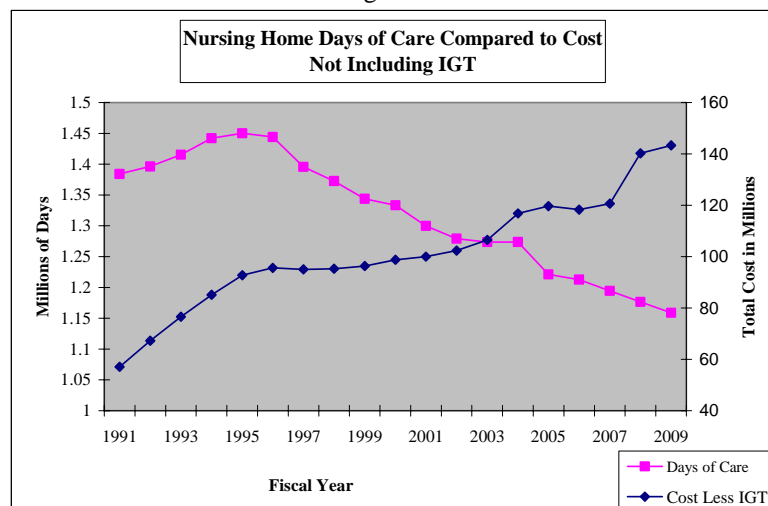
Figure 52

## Senior and Long Term Care Division 2009 Biennium Medicaid Services Appropriation by Function and Component

Medicaid Services	FY 2008				FY 2009				% of Total
	General Fund	SSR	Federal	Total	General Fund	SSR	Federal	Total	
<b>Present Law and New Proposals</b>									
<b>Nursing Home Services</b>									
<u>FY 2006 Base Budget</u>	\$28,997,045	\$11,945,550	\$99,233,927	\$140,176,522	\$28,997,045	\$11,945,550	\$99,233,927	\$140,176,522	59.9%
Intergovernmental County Transfer	0	1,912,098	4,578,392	6,490,490	0	1,912,098	4,578,392	6,490,490	2.8%
PL22207 - Annualize NH Provider Tax HB 7	\$0	\$2,565,113	\$5,401,391	\$7,966,504	\$0	\$2,505,113	\$5,288,162	\$7,793,275	3.3%
PL22210 - Nursing Home FMAP Adj.	2,894,405	0	(2,894,405)	0	3,033,599	0	(3,033,599)	0	0.0%
PL22213 - Nursing Home Caseload Adj.	(1,976,500)	0	(1,382,760)	(3,359,260)	(2,413,868)	0	(2,471,274)	(4,885,142)	-2.1%
PL22215 - FMAP Change - I-149	111,741	0	(111,741)	0	117,192	0	(117,192)	0	0.0%
PL22218 - Annualize Direct Wage Increase	(380,933)	519,324	(138,391)	0	(374,182)	476,173	(101,991)	0	0.0%
NP22223 - Nursing Home IGT	0	977,007	1,591,700	2,568,707	0	1,733,139	3,051,961	4,785,100	2.0%
NP22501 - Provider Rate Increase	0	1,112,632	2,431,910	3,544,542	1,097,351	1,137,883	4,891,176	7,126,410	3.0%
NP22601 - Direct Care Wage Increase	272,996	1,330,136	3,504,010	5,107,142	273,866	1,334,373	3,498,903	5,107,142	2.2%
NP22605 - IGT Offset	445,977	0	0	445,977	600,000	0	0	600,000	0.3%
NP22904 - Personal Needs Increase	0	128,071	279,928	407,999	0	128,438	279,431	407,869	0.2%
<b>Subtotal Appropriation Changes</b>	<u>\$1,367,686</u>	<u>\$6,632,283</u>	<u>\$8,681,642</u>	<u>\$16,681,611</u>	<u>\$2,333,958</u>	<u>\$7,315,119</u>	<u>\$11,285,577</u>	<u>\$20,934,654</u>	<u>9.0%</u>
<b>Total Nursing Home Appropriation</b>	<u>\$30,364,731</u>	<u>\$20,489,931</u>	<u>\$112,493,961</u>	<u>\$163,348,623</u>	<u>\$31,331,003</u>	<u>\$21,172,767</u>	<u>\$115,097,896</u>	<u>\$167,601,666</u>	<u>71.7%</u>
Percent Increase Over Base Budget	5%	72%	13%	17%	8%	77%	16%	20%	
<b>Home Based Services - Entitlement</b>									
<u>FY 2006 Base Budget</u>	\$6,111,838	\$1,867,551	\$19,285,169	\$27,264,558	\$6,111,838	\$1,867,551	\$19,285,169	\$27,264,558	11.7%
PL22211 - Homebased Medicaid FMAP Adj.	\$578,956	\$0	(\$578,956)	\$0	\$606,220	\$0	(\$606,220)	\$0	0.0%
PL22214 - Med. Homebased Caseload Adj.	259,964	0	568,210	828,174	642,540	0	1,397,917	2,040,457	0.9%
PL22216 - FMAP Change - I-149	14,651	0	(14,651)	0	15,366	0	(15,366)	0	0.0%
NP22501 - Provider Rate Increase	0	221,160	481,158	702,318	217,738	239,655	995,109	1,452,502	0.6%
NP22601 - Direct Care Wage Increase	407,921	0	891,606	1,299,527	409,221	0	890,306	1,299,527	0.6%
NP22605 - IGT Offset	743,295	0	0	743,295	1,000,000	0	0	1,000,000	0.4%
NP22902 - Healthcare for Healthcare Worker	0	0	0	0	814,900	0	1,772,906	2,587,806	1.1%
<b>Subtotal Appropriation Changes</b>	<u>\$2,004,787</u>	<u>\$221,160</u>	<u>\$1,347,367</u>	<u>\$3,573,314</u>	<u>\$3,705,985</u>	<u>\$239,655</u>	<u>\$4,434,652</u>	<u>\$8,380,292</u>	<u>4.2%</u>
<b>Total Home Based Appropriation</b>	<u>\$8,116,625</u>	<u>\$2,088,711</u>	<u>\$20,632,536</u>	<u>\$30,837,872</u>	<u>\$8,116,625</u>	<u>\$2,107,206</u>	<u>\$23,719,821</u>	<u>\$35,644,850</u>	<u>15.2%</u>
Percent Increase Over Base Budget	33%	12%	7%	13%	33%	13%	23%	31%	
<b>Community Services Waiver - Nonentitlement</b>									
<u>FY 2006 Base Budget</u>	\$6,595,771	\$395,891	\$16,846,130	\$23,837,792	\$6,595,771	\$395,891	\$16,846,130	\$23,837,792	10.2%
PL22209 - Annualize Waiver Expansion	(\$419,748)	\$829,669	\$750,433	\$1,160,354	(\$406,035)	\$829,669	\$736,720	\$1,160,354	0.5%
PL22212 - Medicaid Waiver FMAP Adj.	491,021	0	(491,021)	0	514,859	0	(514,859)	0	0.0%
PL22217 - FMAP Change - I-149 Waiver	12,213	0	(12,213)	0	12,809	0	(12,809)	0	0.0%
PL22220 - Annualize Direct Care Wages	6,994	0	(6,994)	0	7,336	0	(7,336)	0	0.0%
NP22119 - Waiver Expansion	838,161	0	1,810,894	2,649,055	439,619	410,728	1,798,708	2,649,055	1.1%
NP22501 - Provider Rate Increase	0	221,968	485,162	707,130	250,012	200,905	981,021	1,431,938	0.6%
NP22601 - Direct Care Wage Increase	471,118	0	1,029,736	1,500,854	472,619	0	1,028,235	1,500,854	0.6%
<b>Subtotal Appropriation Changes</b>	<u>\$1,399,759</u>	<u>\$1,051,637</u>	<u>\$3,565,997</u>	<u>\$6,017,393</u>	<u>\$1,291,219</u>	<u>\$1,441,302</u>	<u>\$4,009,680</u>	<u>\$6,742,201</u>	<u>3.4%</u>
<b>Total Waiver Appropriation</b>	<u>\$7,995,530</u>	<u>\$1,447,528</u>	<u>\$20,412,127</u>	<u>\$29,855,185</u>	<u>\$7,886,990</u>	<u>\$1,837,193</u>	<u>\$20,855,810</u>	<u>\$30,579,993</u>	<u>13.1%</u>
Percent Increase Over Base Budget	21%	0%	21%	25%	20%	0%	24%	28%	
<b>Total Medicaid Services - Senior and Long Term Care</b>									
<u>Total Medicaid Services Base Budget</u>	<u>\$41,704,654</u>	<u>\$16,121,090</u>	<u>\$139,943,618</u>	<u>\$197,769,362</u>	<u>\$41,704,654</u>	<u>\$16,121,090</u>	<u>\$139,943,618</u>	<u>\$197,769,362</u>	<u>84.6%</u>
Present Law Annualization-2005 Expansions	(\$793,687)	\$3,914,106	\$6,006,439	\$9,126,858	(\$772,881)	\$3,810,955	\$5,915,555	\$8,953,629	3.8%
Present Law Adjustments - Caseload/IGT	(1,716,536)	977,007	777,150	37,621	(1,771,328)	1,733,139	1,978,604	1,940,415	0.8%
Present Law Due to Fed Match Change	4,102,987	0	(4,102,987)	0	4,300,045	0	(4,300,045)	0	0.0%
New Proposals for Provider Rates	0	1,555,760	3,398,230	4,953,990	1,565,101	1,578,443	6,867,306	10,010,850	4.3%
New Proposals for Direct Care Wage Incr.	1,152,035	1,330,136	5,425,352	7,907,523	1,155,706	1,334,373	5,417,444	7,907,523	3.4%
New Proposals for Service Expansion	838,161	0	1,810,894	2,649,055	439,619	410,728	1,798,708	2,649,055	1.1%
Other New Proposals	1,189,272	128,071	279,928	1,597,271	2,414,900	128,438	2,052,337	4,595,675	2.0%
<b>Subtotal Appropriation Changes</b>	<u>\$4,772,232</u>	<u>\$7,905,080</u>	<u>\$13,595,006</u>	<u>\$26,272,318</u>	<u>\$7,331,162</u>	<u>\$8,996,076</u>	<u>\$19,729,909</u>	<u>\$36,057,147</u>	<u>15.4%</u>
<b>Grand Total Annual Appropriation</b>	<u>\$46,476,886</u>	<u>\$24,026,170</u>	<u>\$153,538,624</u>	<u>\$224,041,680</u>	<u>\$49,035,816</u>	<u>\$25,117,166</u>	<u>\$159,673,527</u>	<u>\$233,826,509</u>	<u>100.0%</u>
Percent Increase Over Base Budget	11%	49%	10%	13%	18%	56%	14%	18%	
<b>Grand Total Biennial Increase</b>					<u>\$12,103,394</u>	<u>\$16,901,156</u>	<u>\$33,324,915</u>	<u>\$62,329,465</u>	

*Nursing Home Days of Care*

Figure 53



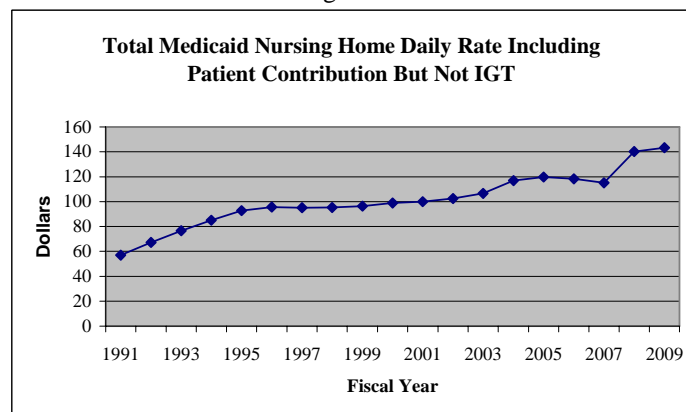
steadily declined since then. In comparison, the total cost has steadily increased because of rate increases and funding mechanisms, including provider taxes, that are used to draw down additional federal Medicaid matching funds and raise nursing home rates. The 2009 biennium appropriation is based on the assumption that days of care decline 0.58 percent per year from the FY 2007 estimate of 1,196,493.

*Nursing Home Rate*

Figure 54 shows the total daily rate used to estimate the nursing home costs for the 2009 biennium compared to the FY 2007 rate. Adding appropriations for direct care worker and provider rate increases and the estimated amount of patient contribution to the base rate yields an estimated daily rate of \$152.24 in FY 2008 and \$155.31 in FY 2009, which does not include increases that may be added due to the IGT program.

The patient contribution is a portion of reimbursement that is provided by persons with income to apply to the cost of their care. Individuals in this situation would typically spend down their income to a level that they would become Medicaid eligible, at which point Medicaid would cover the balance of costs.

Figure 55



state sources. For instance, IGT revenue provided by county governments declined substantially from FY 2004 to FY

Some of the reduction in Medicaid nursing home bed days is related to steady annual increases in Medicaid home and community based services as well as the proliferation of alternative living situations for seniors available in the private market. The legislature has consistently approved funding increases for the SLTC community based waiver. Some persons served in the expansion left skilled nursing care to be served in the community. If waiver services expansions were curtailed or halted, the historic decline in nursing home services may be reversed or lessened.

Figure 53 shows millions of days of Medicaid paid nursing care services by fiscal year since 1991 compared to the total cost. The days of care peaked in FY 1995, and the number has slowly and

Figure 54 Estimated Daily Nursing Home Rate by Component			
Rate Component	FY 2007	FY 2008	FY 2009
Base Rate	\$96.34	\$103.19	\$102.57
Provider Rate Increase	2.92	2.98	6.03
Direct Care Wage	5.40	4.29	4.32
Provider Tax	16.00	16.00	16.00
Patient Contribution	<u>25.20</u>	<u>25.78</u>	<u>26.40</u>
<b>Total Daily Rate</b>	<b>\$145.86</b>	<b>\$152.24</b>	<b>\$155.31</b>
*Total reimbursement does not include the added amount due to IGT payments.			
Source: SLTC, June 8, 2007.			

Actual nursing home rates will vary from the estimates shown in Figure 55. Nursing home rates are established just prior to or early in the state fiscal year. At that point, the estimate of days of care is refined as is the estimated patient contribution. Both of those variables are important components of rate making and will influence the final rate paid for nursing home care.

The IGT component of nursing home reimbursement has been viewed as an add on to the legislatively funded rate. The legislature has interpreted nursing home payments funded with IGT to be dependent on the level of funds generated and federal rules governing the payment sources. If the state match generated by IGT is reduced, the reduction is not automatically backfilled from other

2006 due to federal rule changes and the legislature did not set aside funds to offset the reduction in nursing home payments due to the decline.

Figure 55 shows the changes in the daily nursing home rate from 1991 through the estimate for FY 2009. The rate shown does not include additional amounts added due to the IGT program.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				189,670						195,091
Vacancy Savings				(41,883)						(42,100)
Inflation/Deflation				1,087						1,162
Fixed Costs				(8,712)						(8,712)
<b>Total Statewide Present Law Adjustments</b>				<b>\$140,162</b>						<b>\$145,441</b>
DP 22207 - Annualize Nursing Home Provider Tax	0.00	0	2,565,113	5,401,391	7,966,504	0.00	0	2,505,113	5,288,162	7,793,275
DP 22209 - Annualize Waiver Expansion Costs	0.00	(419,748)	829,669	750,433	1,160,354	0.00	(406,035)	829,669	736,720	1,160,354
DP 22210 - Medicaid Nursing Home FMAP Adj	0.00	2,894,405	0	(2,894,405)	0	0.00	3,033,599	0	(3,033,599)	0
DP 22211 - Home Based Medicaid FMAP Adj	0.00	578,956	0	(578,956)	0	0.00	606,220	0	(606,220)	0
DP 22212 - Medicaid Waiver FMAP Adjustment	0.00	491,021	0	(491,021)	0	0.00	514,859	0	(514,859)	0
DP 22213 - Nursing Home Caseload Adjustment	0.00	(1,976,500)	0	(1,382,760)	(3,359,260)	0.00	(2,413,868)	0	(2,471,274)	(4,885,142)
DP 22214 - Medicaid Home Based Svs Caseload Adjustment	0.00	259,964	0	568,210	828,174	0.00	642,540	0	1,397,917	2,040,457
DP 22215 - FMAP Change for I-149 NH Provider Increase	0.00	111,741	0	(111,741)	0	0.00	117,192	0	(117,192)	0
DP 22216 - FMAP Change for I-149 Home Based Provider Increase	0.00	14,651	0	(14,651)	0	0.00	15,366	0	(15,366)	0
DP 22217 - FMAP Change for I 1-149 Waiver Provider Rate Inc	0.00	12,213	0	(12,213)	0	0.00	12,809	0	(12,809)	0
DP 22218 - Annualize Nursing Home Direct Care Wage	0.00	(1,021,218)	1,021,218	0	0	0.00	(1,021,218)	1,021,218	0	0
DP 22219 - FMAP Change - I-149 Home Based Direct Care Wages	0.00	34,149	0	(34,149)	0	0.00	35,815	0	(35,815)	0
DP 22220 - FMAP Change - I-149 Direct Care Wages Med Waiver	0.00	6,994	0	(6,994)	0	0.00	7,336	0	(7,336)	0
DP 22223 - Nursing Home IGT Adjustment	0.00	0	977,007	1,591,700	2,568,707	0.00	0	1,733,139	3,051,961	4,785,100
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$986,628</b>	<b>\$5,393,007</b>	<b>\$2,784,844</b>	<b>\$9,164,479</b>	<b>0.00</b>	<b>\$1,144,615</b>	<b>\$6,089,139</b>	<b>\$3,660,290</b>	<b>\$10,894,044</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$9,304,641</b>						<b>\$11,039,485</b>

**DP 22207 - Annualize Nursing Home Provider Tax** - The legislature appropriated \$15.7 million total funds over the biennium including \$5.1 million in state special revenue, for the adjustment in the nursing home bed utilization fee. The fee rose from \$7.05 per day in FY 2006 to \$8.30 per day in FY 2007. The FY 2006 provider tax expenditures totaled \$3.5 million in state special revenue, while the FY 2007 revenues are estimated to be \$6.0 million. The tax is used to draw down federal matching funds and increase the daily Medicaid rate paid for nursing home services.

DP 22209 - Annualize Waiver Expansion Costs - The legislature appropriated \$2.3 million over the biennium, including \$1.6 million in health and Medicaid initiatives state special revenue to annualize the expansion of community waiver services authorized by the 2005 Legislature. The appropriation offsets \$0.8 million general fund. The expansion added about 100 additional slots to the waiver. Base level expenditures were \$23.8 million, supported 1,529 slots, and served 1,938 people.

DP 22210 - Medicaid Nursing Home FMAP Adj - The legislature approved \$5.9 million general fund over the biennium and reduced federal funds by the same amount due to a reduction in the federal Medicaid match rate to maintain base budget nursing home services funding. The Montana state match rate changes from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009.

DP 22211 - Home Based Medicaid FMAP Adj - The legislature appropriated \$1.2 million general fund over the biennium and reduced federal funds by the same amount due to a reduction in the federal Medicaid match rate. The required state match changes from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009.

DP 22212 - Medicaid Waiver FMAP Adjustment - The legislature increased general fund appropriations by \$1.0 million over the biennium and reduced federal funds by the same amount due to a reduction in the federal Medicaid match rate to maintain base funding for community waiver services. The required state match changes from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009.

DP 22213 - Nursing Home Caseload Adjustment - The legislature reduced nursing home appropriations by \$8.2 million total funds over the biennium including \$4.4 million in general fund due anticipated reductions in the number of days of care compared to the FY 2006 base budget.

DP 22214 - Medicaid Home Based Svs Caseload Adjustment - The legislature funded anticipated caseload growth for Medicaid home based services, which includes personal care/personal assistance, home health, and the hospice program, at an estimated cost of about \$3.1 million total funds, including \$1.3 million general fund over the biennium.

DP 22215 - FMAP Change for I-149 NH Provider Increase - The legislature added \$0.2 million in general fund over the biennium and reduced federal funds by a like amount. The Montana state match rate increases from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009. The executive budget requested health and Medicaid initiatives funds for the match rate change, but general fund was appropriated instead due to a statutory compliance issue raised by LFD staff, since health and Medicaid initiative funds cannot be used to fund the traditional trended level of Medicaid benefits.

DP 22216 - FMAP Change for I-149 Home Based Provider Increase - The legislature added about \$30,000 general fund over the biennium and reduced federal funds by a like amount. The Montana state match rate increases from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009. The executive budget requested health and Medicaid initiatives funds for the match rate change, but general fund was appropriated instead due to a statutory compliance issue raised by LFD staff, since health and Medicaid initiative funds cannot be used to fund the traditional trended level of Medicaid benefits.

DP 22217 - FMAP Change for I 1-149 Waiver Provider Rate Inc - The legislature added about \$25,000 in general fund over the biennium and reduced federal funds by a like amount. The Montana state match rate increases from 29.34 percent in FY 2006 to 31.39 percent in FY 2008 and to 31.49 percent in FY 2009. The executive budget requested health and Medicaid initiatives funds for the match rate change, but general fund was appropriated instead due to a statutory compliance issue raised by LFD staff, since health and Medicaid initiative funds cannot be used to fund the traditional trended level of Medicaid benefits.

DP 22218 - Annualize Nursing Home Direct Care Wage - This appropriation shifts the full cost of the direct care wage increase authorized by the 2005 Legislature from general fund (nearly a \$2.0 million decrease over the biennium) to cigarette tax state special revenue which increases by a like amount. This shift represents the amount of health and Medicaid initiatives account funds appropriated by the legislature to support the cost of the wage increase in FY 2007.

DP 22219 - FMAP Change - I-149 Home Based Direct Care Wages - The legislature appropriated about \$70,000 general fund and reduced federal funds by a like amount to annualize direct care worker wage increases authorized by the 2005 Legislature and account for the federal Medicaid match rate change. The executive budget requested health and Medicaid initiatives funds for the match rate change, which was raised as a statutory compliance issue by LFD staff, since those funds cannot be used to fund the traditional trended level of Medicaid benefits.

DP 22220 - FMAP Change - I-149 Direct Care Wages Med Waiver - The legislature added about \$14,000 general fund and that reduced federal funds by a like amount to annualize direct care worker wage increases authorized by the 2005 Legislature and to account for the federal Medicaid match rate change. The executive budget requested health and Medicaid initiatives funds for the match rate change, which was raised as a statutory compliance issue by LFD staff, since those funds cannot be used to fund the traditional trended level of Medicaid benefits.

DP 22223 - Nursing Home IGT Adjustment - The legislature approved the executive request for \$7.3 million over the biennium, with the state share coming from local county resources, to fund increases in county nursing home intergovernmental transfer payments (IGT). This program allows counties to transfer a portion of the funds used to support county nursing homes to DPHHS. The transferred funds are applied as Medicaid match to draw down additional federal Medicaid funds and raise the daily nursing home reimbursement. The appropriation is restricted and may only be used for the county nursing home IGT. The legislature anticipates that proposed federal rules may impact the Montana IGT program as explained in DP 22605 IGT Offset.

### New Proposals

New Proposals										
Sub Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22119 - Waiver Expansion										
01	0.00	838,161	0	1,810,894	2,649,055	0.00	439,619	410,728	1,798,708	2,649,055
DP 22501 - Provider Rate Increases										
01	0.00	0	1,555,760	3,398,230	4,953,990	0.00	1,565,101	1,578,443	6,867,306	10,010,850
DP 22601 - Direct Care Worker Wage Increases - Restricted										
01	0.00	1,152,035	1,330,136	5,425,352	7,907,523	0.00	1,155,706	1,334,373	5,417,444	7,907,523
DP 22605 - IGT Offset										
01	0.00	1,189,272	0	0	1,189,272	0.00	1,600,000	0	0	1,600,000
DP 22902 - Healthcare for Healthcare Workers										
01	0.00	0	0	0	0	0.00	814,900	0	1,772,906	2,587,806
DP 22904 - Personal Needs Increase										
01	0.00	0	128,071	279,928	407,999	0.00	0	128,438	279,431	407,869
<b>Total</b>	<b>0.00</b>	<b>\$3,179,468</b>	<b>\$3,013,967</b>	<b>\$10,914,404</b>	<b>\$17,107,839</b>	<b>0.00</b>	<b>\$5,575,326</b>	<b>\$3,451,982</b>	<b>\$16,135,795</b>	<b>\$25,163,103</b>

DP 22119 - Waiver Expansion - The legislature appropriated \$5.3 million total funds over the biennium, including \$1.2 million general fund and \$0.4 million state special revenue from the health and Medicaid initiatives account, to expand the Medicaid Home and Community Based Waiver program (HCBS). This expansion will add about 100 new service slots for individuals waiting to access community services in home or assisted living settings, supported living, or heavy care slots such as ventilator or traumatic brain injury services.

To be eligible for the waiver program an individual must be elderly or disabled, Medicaid eligible, and require nursing facility or hospital level of care. The majority of the recipients served meet the nursing facility level of care criteria. Because the waiver is not an entitlement, the program has waiting lists, which require that some eligible people wait for services until additional resources are appropriated by the legislature.



*The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.*

Justification: There are about 600 individuals on the waiver service waiting list. Historically, the waiting list has fluctuated between 450 to 600 individuals on it at any given point in time and is expected to grow as the aging population grows.

Goal: Increase the number of individuals served under the Medicaid home and community waiver by at least 102 over the biennium.

Performance Criteria: 102 individuals will be provided the opportunity to transition to waiver services and will be removed from the waiting list. SLTC staff will monitor performance and modify transition plans based on availability of funding and needs of individuals served.

Milestones: Effective July 1, 2007 begin transition of 102 individuals into community service placements under the waiver program.

FTE: No additional FTE will be required.

Funding: The funding is at the Medicaid match rate of about 31 percent state funds to about 69 percent federal funds.

Obstacles: One of the most difficult policy questions is how to expand assisted living services without creating a highly desirable publicly funded service that could reduce the incentive people have to meet their own long term care needs. Due to the increasing demands for community based services the movement of individuals from the waiting list may result in only a temporary reduction to the waiting list.

Risk: If individuals do not have access to necessary community based services they are at risk of placement in a nursing facility or hospital placement. Or, if persons are currently residing in a nursing facility or hospital, they may have little choice of alternative placements without the resources to develop appropriate community service plans.

DP 22501 - Provider Rate Increases - The legislature appropriated \$15.5 million over the biennium for SLTC division provider rate increases, with \$2.0 million in general fund and \$3.1 million in state matching funds from the health and Medicaid initiatives account for a 2.5 percent provider rate increase each year of the biennium. This amount is above the executive budget, which included a rate increase of 2.5 percent in FY 2008 only.

The provider rate increase is allocated between Medicaid and aging services. The Medicaid services portion of the rate increase is \$15.0 million total funds, including \$1.4 million general fund and \$3.1 million health and Medicaid initiatives state special revenue. The aging services portion of the rate increase is \$0.6 million general fund over the biennium.

DP 22601 - Direct Care Worker Wage Increases - Restricted - The legislature added \$15.2 million total funds, including \$2.3 million general fund and \$2.7 million state special revenue from the health and Medicaid initiatives account, to increase direct care worker wages to \$8.50 per hour, including benefits, for certified nurse aides and personal care attendants and increase wages of other direct care workers by up to \$.70 per hour, including benefits such as federal and state income taxes and workers' compensation costs. The funds may not be used for any other purpose. This appropriation is a legislative initiative and was not included in the executive budget request.

Providers accepting funds from this appropriation agree to increase wages to \$8.50 and then use the balance of funds to provide wage increases to all direct care workers. The bill includes language to restrict these funds from being used to supplant wage increases negotiated or specified in other written agreements. A table showing the amount appropriated for direct care worker wage increases by program is included in the agency narrative.

DP 22605 - IGT Offset - The legislature added \$2.8 million general fund to offset county nursing home intergovernmental transfer (IGT) state special revenue used as state Medicaid match for nursing home services and home based services, contingent on federal rule changes that would prohibit or restrict the use of IGT funds as state match or if the IGT program does not remain viable. Viable is defined as receiving enough county funds for the transfer sufficient to cover the Medicaid match and support a daily payment of \$5 to county nursing homes and \$2 to all other nursing homes. In FY 2009, \$1.0 million of the IGT offset is appropriated for home based services and \$0.6 million is appropriated for nursing home services.

DP 22902 - Healthcare for Healthcare Workers - The legislature appropriated \$1.7 million total funds, including \$0.8 million general fund, in FY 2009 for a provider rate increase for agencies that deliver Medicaid personal assistance and private duty nursing services when those agencies provide their employees with health insurance coverage that meets a set of defined criteria. Direct care workers that work 30 hours or more will be able to participate in this insurance incentive program. The rate increase will be implemented January 1, 2009.

DP 22904 - Personal Needs Increase - The legislature approved the executive request for \$256,509 tobacco trust interest funds and matching federal Medicaid funds over the biennium to provide to raise the personal needs allowance for nursing facility residents from \$40.00 per month to \$50.00 per month. Personal needs funds are used by residents to purchase personal items that are not covered under the nursing facility reimbursement such as postage, cards, gifts and beauty shop services for residents.

## Sub-Program Details

## VETERANS 02

## Sub-Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	124.01	0.00	5.80	129.81	0.00	5.80	129.81	129.81
Personal Services	4,830,497	627,890	160,401	5,618,788	704,838	161,106	5,696,441	11,315,229
Operating Expenses	4,136,949	825,574	180,000	5,142,523	822,886	165,000	5,124,835	10,267,358
Equipment	100,165	0	40,000	140,165	0	0	100,165	240,330
Debt Service	9,741	3,030	0	12,771	3,300	0	13,041	25,812
<b>Total Costs</b>	<b>\$9,077,352</b>	<b>\$1,456,494</b>	<b>\$380,401</b>	<b>\$10,914,247</b>	<b>\$1,531,024</b>	<b>\$326,106</b>	<b>\$10,934,482</b>	<b>\$21,848,729</b>
State/Other Special	5,949,799	1,409,379	380,401	7,739,579	1,442,795	326,106	7,718,700	15,458,279
Federal Special	3,127,553	47,115	0	3,174,668	88,229	0	3,215,782	6,390,450
<b>Total Funds</b>	<b>\$9,077,352</b>	<b>\$1,456,494</b>	<b>\$380,401</b>	<b>\$10,914,247</b>	<b>\$1,531,024</b>	<b>\$326,106</b>	<b>\$10,934,482</b>	<b>\$21,848,729</b>

Veterans' services receive 4.2 percent of the FY 2009 division appropriation. The program administers the two veterans' homes. The Montana Veterans' Home (MVH-Columbia Falls) is staffed by state employees and operation of the Eastern Montana Veterans' Home (Glendive) is contracted, with 1.00 FTE state program administrator to oversee the contract. Figure 56 shows the total appropriation for each veterans' home compared to base budget expenditures, the estimated average daily population, and the annual cost per day of care.

Present law adjustments add about \$3.0 million in over the biennium and new proposals add \$0.7 million and 5.80 new FTE. Except for \$55,000 in FY 2008, all of the requests for increased funding support MVH.

The most significant change is in operating costs for inflation in utility and food expenses as well as several upgrades to equipment and the MVH facility. Personal services rise due to funding for 5.80 new FTE for the Special Care Unit at MVH, statewide present law adjustments that fully fund FTE, adjustments for overtime pay, and reclassification of nursing positions from pay plan 60 to pay plan 20 (broad band).

As noted in the division funding section, legislative appropriations from cigarette tax revenues allocated to the operation of the veterans' homes impact general fund revenues. Statute allocates the greater of 8.3 percent or \$2 million in cigarette tax revenues to the veterans' homes and ending balances above \$2 million are transferred to the general fund.

Figure 56 Senior and Long Term Care Veterans' Home Budget FY 2006 Base Expenditures and 2009 Biennium Appropriation			
Item/Cost/Funding	Actual Legislative Appropriation		
	FY 2006	FY 2008	FY 2009
<b>Montana Veterans' Home</b>			
FTE	123.01	128.81	128.81
Personal Services*	\$4,781,389	\$5,568,573	\$5,646,173
All Other	<u>2,863,817</u>	<u>3,312,900</u>	<u>3,859,397</u>
<b>Total Cost</b>	<b>\$7,645,206</b>	<b>\$9,428,875</b>	<b>\$9,505,570</b>
State Special Revenue	\$5,640,906	\$7,377,460	\$7,413,041
Federal	2,004,300	2,051,415	2,092,529
Population	106	106	106
Annual Cost Per Person	\$72,125	\$88,952	\$89,675
Cost Per Day	\$198	\$244	\$246
Annual Increase		23.3%	0.8%
Annual Per Person Funding			
State Special Revenue	\$53,216	\$69,599	\$69,934
Annual Increase		30.8%	0.5%
Federal Funds	\$18,908	\$19,353	\$19,741
Annual Increase	7.9%	2.4%	2.0%
<b>Eastern MT Veterans' Home</b>			
FTE	1.00	1.00	1.00
Personal Services*	\$49,108	\$50,215	\$50,268
All Other	<u>1,383,038</u>	<u>1,435,157</u>	<u>1,378,644</u>
<b>Total Cost</b>	<b>\$1,432,146</b>	<b>\$1,485,372</b>	<b>\$1,428,912</b>
State Special Revenue	\$308,893	\$362,119	\$305,659
Federal	1,123,253	1,123,253	1,123,253
Population	55	55	55
Annual Cost Per Person	\$26,039	\$27,007	\$25,980
Cost Per Day	\$71	\$74	\$71
Annual Increase		3.7%	-3.8%
Annual Per Person Funding			
State Special Revenue	\$5,616	\$6,584	\$5,557
Annual Change		17.2%	-15.6%
Federal Funds	\$20,423	\$20,423	\$20,423
Annual Change	0.2%	0.0%	0.0%
*Personal services costs do not include the 2009 biennium pay plan, so 2009 biennium costs are understated.			

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					471,602					522,436
Vacancy Savings					(212,082)					(214,118)
Inflation/Deflation					41,162					48,962
Fixed Costs					(3,074)					6,825
<b>Total Statewide Present Law Adjustments</b>					<b>\$297,608</b>					<b>\$364,105</b>
DP 22205 - Montana Veterans' Home Expense Adjustments	0.00	0	908,886	0	908,886	0.00	0	916,919	0	916,919
DP 22909 - Montana Veterans' Home Contingency Fund Line Item	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$1,158,886</b>	<b>\$0</b>	<b>\$1,158,886</b>	<b>0.00</b>	<b>\$0</b>	<b>\$1,166,919</b>	<b>\$0</b>	<b>\$1,166,919</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$1,456,494</b>					<b>\$1,531,024</b>

DP 22205 - Montana Veterans' Home Expense Adjustments - The legislature added \$1.8 million over the biennium from cigarette tax state special revenue funds to provide for adjustments in operating costs for overtime, holiday pay, differential pay, and increases in food costs, utilities and other supplies at MVH. Overtime costs of \$0.8 million are the most significant component of the appropriation.

DP 22909 - Montana Veterans' Home Contingency Fund Line Item - The legislature continued the restricted Montana Veterans' Home Contingency Fund appropriation included in HB 2 by the 2005 Legislature for \$250,000 state special revenue from state special revenue each year of the biennium. These funds may be used only subject to a determination by the Office of Budget and Program Planning that federal and/or state special revenue appropriations are insufficient to operate the Veterans' Home in Columbia Falls in order to maximize the draw down of federal funds. This appropriation was authorized in both the 2003 and 2005 Legislatures.

**New Proposals**

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22101 - EMVH Resident Bus Replacement - OTO										
02	0.00	0	40,000	0	40,000	0.00	0	0	0	0
DP 22103 - MVH Facility Upgrades - OTO										
02	0.00	0	165,000	0	165,000	0.00	0	165,000	0	165,000
DP 22105 - MVH Special Care Unit Staff										
02	5.20	0	137,862	0	137,862	5.20	0	138,421	0	138,421
DP 22106 - MVH Pharmacy Clerk										
02	0.60	0	22,539	0	22,539	0.60	0	22,685	0	22,685
DP 22107 - EMVH Fire Alarm System - OTO										
02	0.00	0	15,000	0	15,000	0.00	0	0	0	0
DP 22603 - Increase Third Party Revenue - MVH										
02	0.00	0	0	0	0	0.00	0	0	0	0
<b>Total</b>	<b>5.80</b>	<b>\$0</b>	<b>\$380,401</b>	<b>\$0</b>	<b>\$380,401</b>	<b>5.80</b>	<b>\$0</b>	<b>\$326,106</b>	<b>\$0</b>	<b>\$326,106</b>

DP 22101 - EMVH Resident Bus Replacement - OTO - This appropriation provides one-time-only funding from the cigarette tax state special revenue funds of \$40,000 to replace a bus, which is used to transport residents of the Eastern

Montana Veterans' Home in Glendive. The EMVH is soliciting donations from charitable and veterans' groups to help offset a portion of the cost of this bus.

DP 22103 - MVH Facility Upgrades - OTO - The legislature authorized a one-time-only appropriation \$330,000 cigarette tax state special revenue funds over the biennium for facility upgrades at MVH. These upgrades will include replacing 80 beds with adjustable hi-lo electric beds to reduce back injuries suffered by caregivers. The appropriation also includes \$120,000 per year to remodel MVH bathrooms to replace countertops, cabinets, toilets, sinks and flooring.

DP 22105 - MVH Special Care Unit Staff - The legislature provided funding for additional staff for the Special Care Unit (SCU) at MVH. The 15-bed SCU is at full occupancy with a waiting list. Because many of the clients are in advanced stages of dementia, MVH has been experiencing a greater number of patient accidents in this unit. This appropriation supports one additional certified nurse aide (CNA) for two shifts seven days a week (3.20 FTE), one activities aide for one shift seven days a week (1.60 FTE) and a housekeeper on the weekends for the SCU (0.40 FTE). The total cost for these FTE is about \$140,000 per year and would be funded from the cigarette tax state special revenue fund.

*The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.*

**Justification:** Additional CNA staffing and additional activities staff resources would provide more one-on-one supervision and direction of the SCU residents and more tailored and focused activities that are designed specifically for residents with dementia and complex care needs. The additional house keeping staff would provide more resources on weekends, to avoid pulling staff from the main floor to the SCU, in order to maintain facility cleanliness and infection control requirements.

**Goal:** Assure mandated staffing levels are maintained; provide quality of care to residents; maintain health and safety of residents; reduce the risk of accidents and injuries; and maintain facility cleanliness.

**Performance Criteria:**

- Compliance with survey requirements related to staffing levels, infection control and cleanliness
- Reduction in the number of patient accidents/injuries in SCU as part of the 2008 annual survey of the facility by Quality Assurance Division, Certification Bureau in DPHHS and the Veterans' Administration survey.

**Milestones:** Compliance with health and safety standards, staffing requirements and reduction of accidents as determined by the 2008 annual health survey conducted by DPHHS and the Veterans' Administration.

**FTE:** One additional Certified Nursing Assistant (CNA) for two shifts seven days a week (3.2 FTE), one activities aide for one shift seven days a week (1.6 FTE), and one housekeeper on the weekends (0.4 FTE) for the SCU. If these staff resources are not approved the facility will continue the current process of reallocation of existing staff resources and will use more expensive agency and temporary staff to assure that quality care is provided to meet resident care needs on a 24/7 basis, which may result in additional costs to the facility .

**Funding:** This proposal is funded from the cigarette tax state special revenue account.

**Obstacles:** Recruitment and retention of qualified staff in the Flathead Valley for staffing support of higher acuity residents in a SCU environment is a challenge. Even with the ability to increase wages to be more competitive, the facility may find it difficult to find enough qualified staff to fill these positions.

Risk: Without these additional SCU staff resources the facility assumes the potential risk of increased accidents for a population that has an inherently higher risk for injury and accidents. The facility assumes risk of survey deficiencies related to staffing, activities, and infection control by the state certification bureau if additional resources are not available. Additionally, the facility will not be able to provide the highest level of quality care to facility residents.

DP 22106 - MVH Pharmacy Clerk - The legislature funded a 0.60 FTE pharmacy clerk at MVH. This position will be responsible to collect data used in Medicare and Medicaid reimbursement as related to the new Medicare Part D prescription drug program. This appropriation (about \$23,000 each fiscal year) is from cigarette tax state special revenue.

DP 22107 - EMVH Fire Alarm System - OTO - This one-time-only appropriation adds \$15,000 from cigarette tax state special revenue to upgrade the fire alarm system at the Eastern Montana Veterans' Home in Glendive.

DP 22603 - Increase Third Party Revenue - MVH - The legislature increased the amount appropriated for third party revenue, including private and insurance payments, for the Montana Veterans' Home. The increase - \$3.4 million over the biennium - directly offsets cigarette tax revenue, which increases the transfer from the cigarette tax ending fund balance to the general fund by a like amount. Statute requires that amounts in excess of \$2.0 million ending fund balance in the cigarette tax fund allocated to the veterans' homes be transferred to the general fund at fiscal year end.

## Sub-Program Details

## AGING 03

## Sub-Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	8.00	0.00	2.00	10.00	0.00	2.00	10.00	10.00
Personal Services	406,308	18,723	88,040	513,071	20,811	88,124	515,243	1,028,314
Operating Expenses	299,611	3,943	6,000	309,554	6,536	2,600	308,747	618,301
Grants	7,160,481	0	1,792,000	8,952,481	0	1,192,000	8,352,481	17,304,962
Benefits & Claims	963,994	22,560	1,494,730	2,481,284	45,120	1,818,745	2,827,859	5,309,143
<b>Total Costs</b>	<b>\$8,830,394</b>	<b>\$45,226</b>	<b>\$3,380,770</b>	<b>\$12,256,390</b>	<b>\$72,467</b>	<b>\$3,101,469</b>	<b>\$12,004,330</b>	<b>\$24,260,720</b>
General Fund	2,106,765	28,527	3,286,730	5,422,022	54,472	3,010,745	5,171,982	10,594,004
Federal Special	6,723,629	16,699	94,040	6,834,368	17,995	90,724	6,832,348	13,666,716
<b>Total Funds</b>	<b>\$8,830,394</b>	<b>\$45,226</b>	<b>\$3,380,770</b>	<b>\$12,256,390</b>	<b>\$72,467</b>	<b>\$3,101,469</b>	<b>\$12,004,330</b>	<b>\$24,260,720</b>

The aging function administers grants for community services managed by local agencies, and the contract for payment of the state supplement and the monthly supplement amount for persons eligible for Social Security Insurance payments due to their disability and low income. The 2009 biennium budget appropriation is \$6.5 million, including \$6.3 million general fund, above the FY 2006 base budget doubled.

The legislature approved each executive budget request for aging services - \$2.0 million general fund to continue aging meal services and in-home care giver grants that had been funded as one-time-only appropriations in the 2007 biennium as well as providing a \$0.3 million increase for meals, and \$0.2 million in federal grant funds for 3.00 new FTE for an additional ombudsman, an additional health insurance assistant, and an FTE to administer a federal Alzheimer's grant.

The legislature, at its own initiative, also appropriated \$3.7 million general fund for aging community services, and a higher provider rate increase than recommended by the executive. \$3.0 million of the additional general fund is for the 2009 biennium only, while the balance will be considered part of the base budget and ongoing.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					36,434					38,608
Vacancy Savings					(17,711)					(17,797)
Inflation/Deflation					1,543					1,736
Total Statewide Present Law Adjustments					\$20,266					\$22,547
DP 22208 - State Supplement Caseload Increase	0.00	24,960	0	0	24,960	0.00	49,920	0	0	49,920
Total Other Present Law Adjustments										
	0.00	\$24,960	\$0	\$0	\$24,960	0.00	\$49,920	\$0	\$0	\$49,920
Grand Total All Present Law Adjustments					\$45,226					\$72,467

DP 22208 - State Supplement Caseload Increase - The legislature funded the projected cost for caseload and administrative cost increases in state supplemental payments for 20 individuals who would transfer from institutional disability services to community programs. This increase totals \$24,960 general fund for FY 2008 and \$49,920 general fund for FY 2009. Base expenditures were \$1,073,749 general fund.

The monthly state supplemental payment is \$94 and the state pays a \$10 administrative fee to the Social Security Administration to process the payment. About 860 persons received a monthly supplemental payment in FY 2006.

**New Proposals**

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22108 - Additional Aging Ombudsman Position										
03	1.00	0	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22109 - Elderly Meal Programs										
03	0.00	692,000	0	0	692,000	0.00	692,000	0	0	692,000
DP 22110 - Continue Aging In-Home Caregiver Program										
03	0.00	600,000	0	0	600,000	0.00	0	0	0	0
DP 22112 - Additional SHIP FTE for Aging Services										
03	1.00	0	0	47,020	47,020	1.00	0	0	45,362	45,362
DP 22501 - Provider Rate Increases										
03	0.00	123,083	0	0	123,083	0.00	447,098	0	0	447,098
DP 22604 - Aging Services Increase										
03	0.00	371,647	0	0	371,647	0.00	371,647	0	0	371,647
DP 22606 - Aging Services (OTO)										
03	0.00	1,500,000	0	0	1,500,000	0.00	1,500,000	0	0	1,500,000
<b>Total</b>	<b>2.00</b>	<b>\$3,286,730</b>	<b>\$0</b>	<b>\$94,040</b>	<b>\$3,380,770</b>	<b>2.00</b>	<b>\$3,010,745</b>	<b>\$0</b>	<b>\$90,724</b>	<b>\$3,101,469</b>

DP 22108 - Additional Aging Ombudsman Position - The legislature appropriated about \$92,400 federal funds over the biennium for 1.00 FTE aging services ombudsman. Currently, there is a single full time position to oversee the long term care ombudsman program. Ombudsman advocate for residents' rights in nursing facilities and community-based settings, such as assisted living, which are increasingly popular long term care alternatives. The number of elderly individuals accessing these services is increasing. The additional staff position will allow the program to increase oversight.



DP 22109 - Elderly Meal Programs - The legislature added \$692,000 general fund each year over the biennium to support aging programs and grants administered by Area Agencies on Aging. The 2005 Legislature appropriated \$567,000 of general fund each year of the 2007 biennium, but designated the appropriation as one time only (OTO), so it was removed from the base budget. This adjustment restores the appropriation and increases it by \$125,000 each year.

*The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.*

Justification: The 2005 Legislature approved \$567,000 of OTO general fund to the aging program for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community.

Goal: Allow local communities to provide services to elderly Montanans to help them maintain quality of life and remain independent.

Performance Criteria: The services to be provided include meals, in-home services (such as homemaker, home chore, personal care, skilled nursing), access services (such as transportation, information and assistance, shopping assistance), and senior centers. The units of service that have been provided and would continue to be provided with these funds include:

- Congregate meals --- 15,400 units of service
- Home delivered meals --- 35,000 units of service
- In-Home services --- 8,000 units of service
- Access services --- 7,500 units of service

FTE: No additional FTE would be required.

Funding: Funding for this proposal is 100 percent general fund.

Milestones: Continuation of these funds would allow the department to maintain programs at the current level of effort.

Obstacles: The major obstacle facing these programs would be the loss of services to the elderly if these funds are reduced or not appropriated. Overall meal costs have been increasing over the last five years resulting in fewer meals that can be served if the funding level does not keep pace with the increase in the number of elderly using these services.

Risk: Without continued funding, there will be a reduction in the numbers of in-home services provided. A reduction or elimination of services could place many elders at risk and may lead to more institutional care.

DP 22110 - Continue Aging In-Home Caregiver Program - The legislature appropriated \$600,000 in general fund over the biennium for Area Agencies on Aging to provide in-home caregiver services to elderly citizens residing in their homes. These funds were approved as a one-time-only appropriation in the 2007 biennium.

*The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.*

Justification: The 2005 Legislature appropriated \$600,000 general fund as a biennial, restricted, one-time-only appropriation to support in-home caregiver services to contract with local providers. SLTC was prohibited from spending the appropriation for Medicaid matching funds. These funds were passed through to Area Agencies on Aging to provide in home caregiver services to elderly citizens residing in their homes.

## Goal:

- Continue to provide in-home services and assistance to caregivers of the elderly as well as to those elderly who are involved in giving care and support to their disabled child and to persons providing support to those with or those who are taking care of someone who has Alzheimer's disease.
- Maintain the current level of caregiver services in the 2009 biennium

## Performance Criteria: Continuation of these funds would provide:

- Respite Care Services --- 6,000 units of service
- Personal Care Services --- 2,000 units of service
- Homemaker Services ---- 1,200 units of service
- Adult Day Care --- 600 units of service
- Transportation --- 100 units
- Skilled Nursing ---- 50 units of service
- Other services are to provide caregivers information, assistance and information about options available to them

Milestones: Continuation of these funds will allow SLTC to maintain care giver services at the current level of effort.

FTE: No additional FTE resources required.

Funding: This proposal is funded entirely from the general fund.

Obstacles: The major obstacle facing the program is finding quality health care workers in rural frontier counties to provide caregiver services.

Risk: Studies have indicated that without support, caregivers, especially if they are the sole caregiver for a spouse or loved one, usually end up needing more critical care than the one receiving care. If these funds are not continued, in-home caregiver services to elderly citizens residing in their homes will be reduced.

DP 22112 - Additional SHIP FTE for Aging Services - The legislature added about \$92,400 federal funds over the biennium for 1.00 FTE in the Aging Services Bureau for the State Health Insurance Program (SHIP). Current level funding supports 1.00 FTE in SHIP to act as the primary contact point in state government for persons with questions about Medicaid, Medicare, VA benefits for elderly citizens and the new Medicare prescription drug program (Part D), and other elder health related issues. The current FTE travels extensively to provide on-site presentations throughout the state.

DP 22501 - Provider Rate Increases - The legislature appropriated \$15.5 million over the biennium for SLTC division provider rate increases, with \$2.0 million in general fund and \$3.1 million in state matching funds from the health and Medicaid initiatives account for a 2.5 percent provider rate increase each year of the biennium. This amount is above the executive budget, which included a rate increase of 2.5 percent in FY 2008 only.

The provider rate increase is allocated between Medicaid and aging services. The Medicaid services portion of the rate increase is \$15.0 million total funds, including \$1.4 million general fund and \$3.1 million health and Medicaid initiatives state special revenue. The aging services portion of the rate increase is \$0.6 million general fund over the biennium.

DP 22604 - Aging Services Increase - The legislature appropriated \$0.7 million general fund above the amount of funds requested in the executive budget for an increase in aging services and restricted the use of funds for aging services. This appropriation will become part of the base budget in the next biennium.

DP 22606 - Aging Services (OTO) - The legislature appropriated \$3.0 million general fund over the biennium for additional aging services such as meals, and in-home assistance. The appropriation is made for the 2009 biennium only.

## Sub-Program Details

## SLTC DIVISION ADMINISTRATION 04

## Sub-Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	264,420	(6,959)	320,171	577,632	(6,208)	724,226	982,438	1,560,070
Operating Expenses	85,849	6,787	0	92,636	9,204	0	95,053	187,689
Benefits & Claims	0	0	0	0	0	100,000	100,000	100,000
<b>Total Costs</b>	<b>\$350,269</b>	<b>(\$172)</b>	<b>\$320,171</b>	<b>\$670,268</b>	<b>\$2,996</b>	<b>\$824,226</b>	<b>\$1,177,491</b>	<b>\$1,847,759</b>
General Fund	156,580	(11)	94,971	251,540	1,401	211,955	369,936	621,476
State/Other Special	48,280	114	142,618	191,012	565	431,817	480,662	671,674
Federal Special	145,409	(275)	82,582	227,716	1,030	180,454	326,893	554,609
<b>Total Funds</b>	<b>\$350,269</b>	<b>(\$172)</b>	<b>\$320,171</b>	<b>\$670,268</b>	<b>\$2,996</b>	<b>\$824,226</b>	<b>\$1,177,491</b>	<b>\$1,847,759</b>

The SLTC division administration budget request grows \$1.1 million over the biennium, including \$0.3 million general fund, compared to base budget expenditures. Division administration costs are allocated across all division functions and the budget request maintains the base year funding distribution in the 2009 biennium request.

The 2009 biennium division pay plan appropriation (\$1.0 million total funds, including \$0.3 million general fund) is allocated to this function, but will be distributed across all division programs. The majority of the pay plan appropriation supports MVH and APS staff since those two functions have proportionally more staff than other division functions.

In addition to the pay plan appropriation, the other new proposal approved by the legislature is a one-time appropriation of \$0.1 million of state special revenue to fund community services that refer persons with traumatic brain injury to appropriate recovery services.

## Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				3,768					4,551
Vacancy Savings				(10,727)					(10,759)
Inflation/Deflation				95					99
Fixed Costs				7,429					9,853
<b>Total Statewide Present Law Adjustments</b>				<b>\$565</b>					<b>\$3,744</b>
DP 6015 - State Motor Pool Change									
0.00	(242)	0	(495)	(737)	0.00	(245)	0	(503)	(748)
<b>Total Other Present Law Adjustments</b>									
0.00	(\$242)	\$0	(\$495)	(\$737)	0.00	(\$245)	\$0	(\$503)	(\$748)
<b>Grand Total All Present Law Adjustments</b>				<b>(\$172)</b>					<b>\$2,996</b>

DP 6015 - State Motor Pool Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

### New Proposals

New Proposals										
Sub Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
04	0.00	91,549	138,780	80,508	310,837	0.00	208,735	327,848	178,306	714,889
DP 6014 - Retirement Employer Contributions-HB 63 and HB 131										
04	0.00	3,422	3,838	2,074	9,334	0.00	3,220	3,969	2,148	9,337
DP 22905 - Resource Facilitation Service - TBI (Rstrd/OTO)										
04	0.00	0	0	0	0	0.00	0	100,000	0	100,000
<b>Total</b>	<b>0.00</b>	<b>\$94,971</b>	<b>\$142,618</b>	<b>\$82,582</b>	<b>\$320,171</b>	<b>0.00</b>	<b>\$211,955</b>	<b>\$431,817</b>	<b>\$180,454</b>	<b>\$824,226</b>

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent pay increase in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of funds for pay plan costs.

The total division pay plan allocation is included in DP 6013. It will be allocated among subprograms during the 2009 biennium.

DP 6014 - Retirement Employer Contributions-HB 63 and HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution and will be allocated across all division functions.

DP 22905 - Resource Facilitation Service - TBI (Rstrd/OTO) - The legislature appropriated \$100,000 of tobacco settlement trust interest in FY 2009 to support a resource facilitation service for persons with a traumatic brain injury. The appropriation is made for one year only and must be used to fund community based entities that assist persons with a traumatic brain injury to access services and resources that aid recovery from their injuries. It was started with federal grant funds.

**Sub-Program Details****ADULT PROTECTIVE SERVICES 05****Sub-Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	39.75	0.00	1.50	41.25	0.00	1.50	41.25	41.25
Personal Services	1,798,321	219,436	71,698	2,089,455	224,947	71,784	2,095,052	4,184,507
Operating Expenses	338,283	89,690	3,000	430,973	100,086	1,300	439,669	870,642
Benefits & Claims	39,665	0	0	39,665	0	0	39,665	79,330
<b>Total Costs</b>	<b>\$2,176,269</b>	<b>\$309,126</b>	<b>\$74,698</b>	<b>\$2,560,093</b>	<b>\$325,033</b>	<b>\$73,084</b>	<b>\$2,574,386</b>	<b>\$5,134,479</b>
General Fund	1,537,303	307,590	0	1,844,893	322,196	0	1,859,499	3,704,392
State/Other Special	244,240	(745)	74,698	318,193	(743)	73,084	316,581	634,774
Federal Special	394,726	2,281	0	397,007	3,580	0	398,306	795,313
<b>Total Funds</b>	<b>\$2,176,269</b>	<b>\$309,126</b>	<b>\$74,698</b>	<b>\$2,560,093</b>	<b>\$325,033</b>	<b>\$73,084</b>	<b>\$2,574,386</b>	<b>\$5,134,479</b>

The Adult Protective Services (APS) program is responsible for the investigation of abuse, neglect, and exploitation of adults. Additionally, the program has about \$40,000 annually to help provide emergency services such as temporary lodging and cleaning. The majority of FTE in the program are adult protective services social workers.

The APS appropriation shows a net increase of about \$0.9 million, primarily in general fund, over the biennium. The most significant increase results from adjustments to base budget personal services that add about \$400,000 over the biennium largely due to reclassification of APS social worker positions. About \$158,000 in lien and estate recovery state special revenue is added over the biennium to fund 1.50 new FTE. Other components of the budget are funded almost entirely by general fund and pay for maintenance of a new computer data base (about \$105,000), replacement cars (about \$48,000), and rent increases (about \$24,000).

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					303,508					309,250
Vacancy Savings					(84,072)					(84,303)
Inflation/Deflation					8,380					8,829
Fixed Costs					(7,213)					(7,213)
<b>Total Statewide Present Law Adjustments</b>					<b>\$220,603</b>					<b>\$226,563</b>
DP 6015 - State Motor Pool Change	0.00	(2,385)	0	(86)	(2,471)	0.00	(2,373)	0	(86)	(2,459)
DP 22201 - SLTC Field Office Rent Adjustment	0.00	10,909	0	4,005	14,914	0.00	19,527	0	4,863	24,390
DP 22204 - Adult Protective Services Database Maintenance	0.00	50,886	0	1,846	52,732	0.00	50,886	0	1,846	52,732
DP 22206 - Dept of Transportation Cars	0.00	11,674	0	11,674	23,348	0.00	11,903	0	11,904	23,807
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$71,084</b>	<b>\$0</b>	<b>\$17,439</b>	<b>\$88,523</b>	<b>0.00</b>	<b>\$79,943</b>	<b>\$0</b>	<b>\$18,527</b>	<b>\$98,470</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$309,126</b>					<b>\$325,033</b>

DP 6015 - State Motor Pool Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

DP 22201 - SLTC Field Office Rent Adjustment - The legislature provided \$39,304 for the biennium, including \$30,166 in general fund, to pay rent increases for field offices. Base year costs were \$111,425. Funding will support an annual rent increase of about 6.5 percent from FY 2006 through FY 2009.

DP 22204 - Adult Protective Services Database Maintenance - The legislature appropriated \$105,464 over the biennium (\$101,772 general fund) to maintain the APS client database implemented in FY 2006. The database tracks APS cases, complexity and outcomes. This database records documentation for all APS cases and allows managers to equalize caseload among APS field staff based on acuity measures that were incorporated into the database.

DP 22206 - Dept of Transportation Cars - The legislature appropriated \$47,155 total funds over the biennium including \$23,577 general fund to replace six cars owned by SLTC with cars leased from the state motor pool. One of the cars has major mechanical problems and five of the cars have over 125,000 miles.

### New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22239 - Adult Protective Services Field Staff										
05	1.50	0	74,698	0	74,698	1.50	0	73,084	0	73,084
<b>Total</b>	<b>1.50</b>	<b>\$0</b>	<b>\$74,698</b>	<b>\$0</b>	<b>\$74,698</b>	<b>1.50</b>	<b>\$0</b>	<b>\$73,084</b>	<b>\$0</b>	<b>\$73,084</b>

DP 22239 - Adult Protective Services Field Staff - The legislature added \$147,782 in lien and estate recovery state special revenue over the biennium to fund 1.50 FTE field staff for APS referrals. The new staff (0.50 FTE) will work exclusively with tribal issues on the Fort Peck Tribal Reservation and 1.00 FTE will be used to meet increasing needs for guardianships and referrals. This FTE will be allocated across the state based on data gathered from new workload/caseload management system Operation Protect Montana (OPM), which has replaced APS use of the Child and Adult Protective Services system.